



U.S. DEPARTMENT OF STATE

DIPLOMACY IN ACTION

Executive Summary

Albania is a relatively small country with a population of approximately three million people and a landmass the size of Maryland. Albania largely was spared from the severe fallout of the 2008 financial crisis as its economy was not heavily integrated into the Euro-Atlantic system.

Nonetheless, the prolonged European crisis, coupled with a challenging fiscal and budgetary environment, has caused economic output to slow since 2009. With the help of a 300-million euro International Monetary Fund (IMF) package, the government hopes to reduce its mounting budget deficit and to stimulate economic growth in 2014. Albania's GDP increased by approximately 1.7 percent in 2013 and the IMF expects the economy to continue to grow by two percent in 2014. Canada is the largest source of Albanian FDI, representing 19 percent of Albania's \$4.5 billion foreign investment stock, mostly in the hydrocarbon and mining sectors.

Albania has implemented a liberal foreign investment regime with the goal of increasing foreign direct investment. In recent years, the government has implemented reforms to improve the overall business climate in the country by streamlining business procedures through e-government reforms and improved legislation in a variety of sectors. Furthermore, the government that took office in September 2013 has stated that promoting foreign investment is a key part of its economic development plans. Opportunities for U.S. investors in Albania likely will increase in the coming years. The government plans to auction 13 oil and gas exploration licenses in 2014 and the beginning of construction on the Trans-Adriatic Pipeline (TAP), which will bring Azeri gas through Greece and Albania to Italy, both represent significant opportunities for U.S. investors.

The Albanian legal system does not discriminate against foreign investors and the "Law on Foreign Investment" allows 100 percent foreign ownership of companies and outlines specific protections for foreign investors. Albanian tax policy also does not distinguish between domestic and foreign investments. The U.S. - Albania bilateral investment treaty entered into force in 1998 and ensures that U.S. investors receive most-favored-nation treatment. Albania's banking system is well-capitalized and is a ready source for business financing.

Despite a legal framework designed to promote investment and significant emerging opportunities in the natural resources and energy sectors, major challenges remain for U.S. investors. Recent changes in political leadership have raised questions about the legal certainty of licensing and concession agreements signed by previous governments. Investors also cite endemic corruption, weak law enforcement, insufficiently defined property rights, government red tape, lack of developed infrastructure, and frequent changes in the legal framework as other major obstacles to investing in Albania.

1. Openness To, and Restrictions Upon, Foreign Investment

Albania has implemented a liberal foreign investment regime with the goal of increasing foreign direct investment. The Albanian government has taken measures to improve the overall business climate in the country by streamlining business procedures through e-government reforms and improved legislation in a variety of sectors. Despite progress in these reforms, major challenges remain, with investors citing endemic corruption, weak law enforcement, insufficiently defined property rights, government red tape, lack of developed infrastructure, and frequent changes in the legal framework. Changes in political leadership have also raised questions about the legal certainty of licensing and concession agreements signed by previous governments.

Legal Framework

The 'Law on Foreign Investment' attempts to create a hospitable climate for foreign investors and stipulates the following:

- No prior government authorization is needed for an initial investment and no sector is closed to foreign investment;
- 100 percent foreign ownership of companies is permissible;
- Foreign investment may not be expropriated or nationalized directly or indirectly, except for designated special cases, in the interest of public use and as defined by law;
- Foreign investors enjoy the right to expatriate all funds and contributions in kind from their investments; and
- Foreign investors receive 'most favored nation' treatment according to international agreements and Albanian law.

Additionally, in September 2010, the parliament approved several amendments to this law that provide special protection for foreign investment in the tourism, energy and agriculture sectors.

The Law on Foreign Investments grants special state protection to real estate investments under the Albanian Concession Law. This applies to immovable property made available to the foreign investor by the Albanian state or an immovable property over which the foreign investor has rights based on a valid, legal, public document or act issued by a competent state-entity or public authority, where such investment exceeds or is foreseen to exceed the value of EUR 10 million. Under the special state protection, the foreign investor is represented in the judiciary process by the Albanian state and any injunction order issued by the court shall be executed over state properties.

The 'Law on Protection of Competition' governs incoming foreign investment whether it is through mergers, acquisitions, takeovers, or green field investments, irrespective of the industry or sector. In the case of particular share transfers in insurance and banking industries, additional

regulatory approvals are needed. Also, transactions between parties outside Albania -- "foreign to foreign" transactions -- are covered by the competition law which explicitly states that it applies to all undertakings, whether domestic or foreign, whose activities have a direct or indirect effect on the Albanian market.

There are limited exceptions to this liberal investment regime, most of which apply to the purchase of real estate: agricultural land cannot be purchased by foreigners, but may be rented for up to 99 years; and commercial property may be purchased, but only if the proposed investment is worth three times the price of the land. There are no restrictions on the purchase of private residential property.

Investors in Albania are entitled to judicial protection of legal rights related to their investments. Foreign investors have the right to submit disputes to an Albanian court. However, many companies complain about the sluggishness of the courts and the endemic corruption in the judiciary. In addition, parties to a dispute may agree to arbitration. The Albanian Code of Civil Procedure outlines provisions regarding domestic and international commercial arbitration.

Taxation

Albania's tax system does not distinguish between foreign and domestic investors. Reforms are aimed at increasing the efficiency of tax administration and reducing corruption, but rampant informality in the economy (some experts estimate 50 percent of the Albanian economy is informal) make tax administration a challenge. In an effort to address the sharp decline in government revenues during 2012-2013 and growing public debt, the government, in consultation with the International Monetary Fund, passed a new fiscal package in December 2013. The new fiscal package increased corporate income tax from 10 to 15 percent for medium and large companies and reduced the tax rate to 7.5 percent companies with less than \$80,000 in annual turnover. The package also implemented a progressive personal income tax removed the cap for health insurance contributions and eliminated many tax breaks and incentives in the oil and gas sector.

U.S. exporters often complain about the unequal and inappropriate application of reference prices, which Customs uses to assess duties on goods imported into Albania. The new administration has pledged to gradually eliminate the use of reference prices and has promised that it will eliminate reference pricing for imports from the United States and the European Union by 2015.

Visa requirements

Visa requirements to obtain residence or work permit requirements are straightforward and do not pose an undue burden on potential investors. The only potential complication to obtaining a work permit is the requirement that a foreign employer maintain a mandated number of local employees. The Law on Foreigners approved in April 2013 states that a foreign employer will

be granted a work permit provided that the number of foreign employees in his company does not exceed 10% of the total number of employees on the payroll for the 12 proceeding months.

The Law on Entrepreneurs and Commercial Companies sets guidelines on the activities of companies and the legal structure under which they may operate. The government adopted the law in 2008 to conform Albanian legislation to the European Union's *acquis communautaire*. The most common type of organization for foreign investors is a limited liability company. (See "establishment" below for other forms.)

Business Licenses

The National Business Registration Center serves as a one-stop-shop for business registration. Starting a business is now easier with online publishing of forms and procedures, reduction of registration costs, and the consolidation of tax, health insurance, and labor registration into a single application. The opening of the Business Licensing Center in 2009 streamlined the licensing process by abolishing many licensing requirements and simplifying other licensing procedures.

Public Procurement

Albania improved public procurement procedures by introducing an e-procurement law in 2006. The government eliminated direct tendering (except for defense procurements) and introduced criteria to identify abnormally low bids. The Public Procurement Advocate performs functions similar to an ombudsman by safeguarding the rights and interests of bidders against acts or omissions by contracting authorities. However, companies continue to confront a nontransparent process when competing for public tenders whether it is 'fixed' technical specifications designed to lock out a potential bidder or a lack of clear communication with the relevant ministries. In one recent government procurement tender, the relevant ministry changed the terms of the tender after the process had begun, and after a number of international companies had already submitted bids.

Concessionary Projects

In 2013, Albania approved a new law on concessions and public-private partnerships. All contracts signed or negotiated prior to the new law remain subject to the provisions of the previous law. The new law aims to better align Albanian policy with EU legislation and clarify the distinction between concession contracts and public-private partnerships. The law establishes the framework for promoting and facilitating the implementation of privately financed concessionary projects and aims to enhance transparency, fairness, efficiency, and long-term sustainability in the development of infrastructure and public service projects. Concessions may be identified by central or local governments or through third party unsolicited proposals. The law applies to the following sectors:

- Electricity and heating: generation and distribution ;
- Health;
- Natural gas distribution;
- IT and database infrastructure: service and maintenance ;
- Prison and judicial infrastructure;
- Recycling projects, rehabilitation of land and forests;
- Industrial parks and mining;
- Housing, governmental buildings;
- Solid waste: collection, transfer, processing and administration ;
- Telecommunication;
- Tourism, leisure and hotels
- Culture and sports;
- Science and education;
- Transport (railway system, rail transport, ports, airports, roads, tunnels, bridges, parking facilities, public transport);
- Water: production and distribution, treatment, collection distribution and administration of waste water, irrigation, drainage, cleaning of canals, dams;
- Public services: management contracts, including those related to sectors specified above.

In order to promote investment in priority sectors, the government may offer concessions to local or international investors for the symbolic price of one euro but the law fails to define the specific cases. The Government may, with the proposal of other central government agencies or local government, authorize concessions in other sectors other than those listed above. The law does not apply to concessions that require a separate operating license, unless that is included in the framework of the concession agreement.

The government does not screen foreign investment and U.S. investors are popular with both government officials and ordinary citizens. Political change, however, can be of concern to foreign investors. Following 2013 elections and a peaceful transition of power, the new government has revoked or attempted to renegotiate numerous concession agreements, licenses, and contracts signed by the previous government with international investors. In numerous instances, the current government has stated that the previous government either awarded the concessions in an unlawful manner, or the concession holder or licensee is not complying with the terms of the agreement, or that the existing agreement simply is not in Albania's best interest. Companies interested in entering the Albanian market should contact the Albanian Investment and Development Agency (AIDA), which provides direct assistance to investors, promotes SMEs, Albanian exports, and tracks FDI.

Key Benchmarks

Moody's Investors Service assigned Albania its first-ever sovereign rating in 2007, with the current rating for long term local and foreign currency standing at B1. On April 2014, Standard and Poor's (S&P) upgraded Albania's economic outlook from "negative" to "stable."

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	116 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	54 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	90 of 189	http://doingbusiness.org/rankings
Global Innovation Index	2013	93 of 142	http://www.globalinnovationindex.org/content.aspx?page=pii-full-report-2013#pdfopener
World Bank GNI per capita (USD)	2012	4,030	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

TABLE 1B - Scorecards: The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: <http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards, are available here: <http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>

MCC scorecard	2014	2013	2012	2011	2010	2009	2008	2007
MCC Government Effectiveness	n/a	0.24	n/a	n/a	0.08	0.00	-0.15	-0.33
MCC Rule of Law	n/a	-0.03	n/a	n/a	-0.24	-0.22	-0.20	-0.47
MCC Control of Corruption	n/a	-0.09	n/a	n/a	0.09	-0.12	-0.30	-0.34
MCC Fiscal Policy	n/a	-5.0	n/a	n/a	-4.20	-3.60	-3.98	-4.41
MCC Trade Policy	n/a	79.8	n/a	n/a	85.80	75.80	63.20	57.40
MCC Regulatory Quality	n/a	0.62	n/a	n/a	0.60	0.24	0.01	-0.01

MCC Business Start Up	n/a	0.959	n/a	n/a	0.98	0.97	0.97	0.39
MCC Lands Rights Access	n/a	0.80	n/a	n/a	0.87	0.81	0.73	n/a
MCC Natural Resource Management	n/a	58.8	n/a	n/a	97.29	79.65	79.43	n/a

2. Conversion and Transfer Policies

The Central Bank of Albania (BOA) formulates, adopts, and implements foreign exchange policies and maintains a supervisory role in foreign exchange activities in accordance with the ‘Law on the Bank of Albania’ No. 8269 and the ‘Banking Law’ No. 9662. The Regulation on Foreign Exchange Activities (FX Regulation) is the most specific piece of legislation regarding foreign exchanges.

Capital Controls

The Banking Law does not impose any restrictions on the purchase, sale, holding, or transfer of monetary foreign exchanges. However, the Law on the Bank of Albania authorizes the bank to temporarily restrict the purchase, sale, holding, or transfer of foreign exchanges in order to preserve the foreign exchange rate or its official reserves. In practice, the Bank of Albania rarely uses such measures. In 2009, the Bank temporarily tightened supervision rules over liquidity transfers by domestic banks to their foreign mother banks due to the widespread lack of liquidity in international financial markets. It also asked banks to not distribute dividends and to use them to increase shareholders’ capital instead. The Bank lifted these restrictions in 2010.

The ‘Law on Foreign Investment’ guarantees the right to transfer and repatriate any funds associated with an investment from Albania into a freely usable currency at a market-clearing rate. Only licensed entities (domestic banks, foreign bank branches, and foreign exchange offices) may conduct foreign exchange transfers and the central bank requires these entities to report their foreign exchange activities on a regular basis. These entities also are obliged to complete and maintain all documentation required for transfers abroad. Both Albanian and foreign citizens entering or leaving the country must declare assets in excess of lek 1,000,000 (approximately USD 10,000) in hard currency and/or precious items. Failure to declare such assets is considered a criminal act and punishable by confiscation of the assets and imprisonment.

Although the Foreign Exchange Regulation provides that residents and non-residents may transfer capital within and into Albania without any restrictions, capital transfers out of Albania are subject to certain documentation requirements. Physical persons must submit a request indicating the reasons for the capital transfer, the amount of capital transferred outside the territory of Albania, and the address to which the capital will be transferred. Such persons also must submit a declaration on the source of the funds to be transferred. Delays in value added tax

(VAT) reimbursements from the government remain a serious issue for both domestic and foreign investors, with delays exceeding 60 days and occasionally reaching to several months or even years. The new government has pledged to pay back VAT arrears and to streamline VAT reimbursement procedures in order to avoid accumulation of arrears in the future.

The Bank of Albania maintains a floating free exchange rate regime for its domestic currency, the Lek. Foreign exchange is readily available at banks and exchange bureaus. However, in case of large amounts, preliminary notification is necessary as the exchange market in Albania remains small. The Lek is a historically stable currency and the risk for devaluation over the next year is unlikely. Albanian authorities do not engage in currency arbitrage and do not view it as an efficient instrument to achieve competitive advantage.

Albania is a member of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), a Financial Action Task Force-style regional body.

3. Expropriation and Compensation

The Albanian Constitution guarantees the right of private property. According to Article 41, the expropriation or limitation in the exercise of a property right only can occur in the public interest and with fair compensation. In the post-communist period, expropriation has been limited to land needed for the public interest, mainly infrastructure projects such as roads, energy infrastructure, water works, airports, etc. Compensation has generally been below market value and owners have complained that the compensation process is slow and unfair. Civil courts are responsible for resolving such complaints.

There are many ongoing disputes regarding properties confiscated during the communist regime. Identifying land titles and ownership in Albania is a perpetual problem that makes restitution for expropriated properties extremely difficult. The restitution and compensation process started in 1993, but has been slow and marred by corruption. Many U.S. citizens of Albanian origin have long-running restitution disputes. Court cases tend to drag on for years without a final decision, forcing many to take their case to the European Court of Human Rights in Strasbourg, France. The Court has so far issued 10 decisions in favor of Albanian citizens, but there are still 379 applications pending for consideration. Even once a case is settled in Strasbourg, enforcement of the decision is often slow or nonexistent.

The GOA has presented three methods of compensation for confiscation claims: restitution; compensation of property with similarly-valued land in a different location; and cash settlement/financial compensation. In practice however, a lack of funding and the large amount of claimants has significantly slowed the restitution process.

Albanian governments have not engaged in expropriation actions against U.S. investments, companies or representatives. There have been limited cases when the government has revoked licenses, especially in the mining and energy sectors, based on contract violation claims.

4. Dispute Settlement

Legal System

Albania has a civil law system similar to that of most other European countries. The Albanian Constitution provides for the separation of legislative, executive, and judicial branches; thus supporting the independence of the judiciary. The Civil Procedure Code enacted in 1996 governs civil procedure in Albania. The civil court system consists of district courts, appellate courts, and the Supreme Court. In 2012, Albania approved the law on administrative courts, and these courts began operation in late 2013. The administrative courts of first instance, the Administrative Court of Appeal and the Administrative College of the High Court, now adjudicate administrative disputes. Administrative courts aim to enable fast adjudication of administrative cases, but their efficacy remains to be proven. The Constitutional Court reviews whether laws or subsidiary legislation comply with the Constitution and in limited cases protects and enforces the constitutional rights of citizens and legal entities.

Parties may appeal the judgment of the first instance courts within 15 days, while Appellate Court judgments must be appealed to the Supreme Court within 30 days. A lawsuit against an administrative action is submitted to the administrative court within 45 days from notification and the law stipulates short procedural timeframes enabling faster adjudication of administrative disputes.

Albania does not have a specific commercial code, but defines commercial legislation through a series of commercial laws. Relevant laws include:

- Foreign Investment Law;
- Commercial Companies Law;
- Bankruptcy Law;
- Environmental Law;
- Corporate and Municipal Bonds;
- Transport Law;
- Maritime Code;
- Secured Transactions Law;
- Employment Law;
- Taxation Procedures Law;
- Banking Law; Insurance and Reinsurance Law;
- Concessions Law;
- Mining Law;
- Energy Law;
- Water Resources Law;
- Waste Management Law;
- Excise Law;

- Oil and Gas Law;
- Gambling Law;
- Telecommunications Law;
- Value Added Law;
- Sports Law.

Bankruptcy

The Bankruptcy Law governs the reorganization or liquidation of insolvent businesses. It sets out non-discriminatory and mandatory rules for the repayment of the obligations by a debtor in a bankruptcy procedure. The law establishes statutory time limits for insolvency procedures, professional qualifications for insolvency administrators, and an Agency of Insolvency Supervision to regulate the profession of insolvency administrators. A simplified insolvency procedure for small businesses is also in place.

Investment Disputes

In the past ten years, there have been two major investment disputes between the Albanian government and U.S. companies. Both disputes were settled in International Arbitration, one in favor of the U.S. company and the other in favor of the Albanian government. In both instances, both parties respected and enforced the findings of the arbitration.

International Arbitration

An alternative to dispute settlement via the courts is private arbitration or mediation. Parties can engage in arbitration when they have agreed to such a provision in the original agreement, when there is a separate arbitration agreement, or by mutual agreement at any time when the dispute arises. Legislation distinguishes arbitration of international disputes from arbitration of domestic disputes in that the parties involved in an international dispute may agree to settle through either a domestic or foreign arbitration tribunal.

Under the Albanian Constitution, ratified international agreements prevail over domestic legislation. Albania has signed and ratified the 1966 Convention “On the Settlement of Investment Disputes” between States and Nationals of Other States (Washington Convention) as well as the Convention of 1958 “On the Recognition and Enforcement of Foreign Arbitral Awards” (New York Convention). It also has ratified the 1927 Convention and the European Convention on Arbitration (Geneva Convention).

In order to have an arbitration settlement recognized by the government, a claimant must bring the award before the Court of Appeals. The Albanian Appellate Court may refuse to recognize the foreign arbitral award because:

- The foreign arbitration has no jurisdiction to resolve the dispute;

- The defendant/respondent was not duly notified if the foreign arbitration has ruled in its absence;
- The same case between the same parties is subject to a decision of the Albanian courts;
- Albanian courts are examining an action filed with the Albanian courts before the foreign arbitration award became final and enforceable;
- The foreign arbitration award is issued in breach of the foreign country legislation;
- The award does not comply with the basic principles of the Albanian legislation (i.e. public policy).

The procedures for the recognition of a foreign arbitral award typically last around one month and either party may appeal the Court's decision to the Supreme Court. The appeal must be filed within 30 days from the date of decision or notification of the other party (if absent). However, the appeal process does not suspend enforcement of the award unless ordered by the Supreme Court upon special request submitted by the defendant.

The possibility of bringing an action before the local court in order to avoid arbitration proceedings is remote. According to explicit provisions in the Albanian Code of Civil Procedure, if a party brings actions before local courts despite the parties' agreement to arbitrate, the court would, upon motion of the other party, dismiss the case without entertaining the merits of the case. The decision of the court to dismiss the case can be appealed to the Supreme Court, which has 30 days to consider the appeal.

5. Performance Requirements and Investment Incentives

Performance Requirements

Albania does not have any performance requirements that are inconsistent with the WTO Trade-Related Investment Measures (TRIMs) obligations. Albanian law does not impose performance requirements on foreign or domestic investors. Furthermore, the bilateral investment treaty between the two countries prohibits either party from mandating or enforcing performance requirements as a condition for the establishment, acquisition, expansion, management, conduct, or operation of a covered investment.

According to Albanian law, a foreigner can purchase commercial property only if the investor plans to improve the value of the property by three times the purchase price. Although visa, residence, and work permit requirements are straightforward and do not pose an undue burden on potential investors, the new Law on Foreigners approved in 2013 requires foreign investors to prove that foreign employees are less than 10 percent of total employees before granting a work permit.

Investment Incentives

The 2005 ‘Law on State Aid’ regulates Albanian investment incentives for both foreign and domestic investors. The law governs all sectors of manufacturing and services, excluding agriculture and fisheries, and applies to both the central and local governments as well as other entities acting on behalf of the state that confer benefits to particular enterprises. Some of the major incentives are listed below:

- Tax exemption of dividends designated for investments; Dividends and profit share paid by a resident or non-resident company to a resident taxpayer will not be subject to corporate income tax for the resident taxpayer.
- The government may lease or provide a concession for public property of more than 500 square meters for the symbolic price of one euro if the investor will use the property for manufacturing activities with an investment exceeding 10 million euros or for active processing activities.
- The government may lease or provide a concession for public property for the symbolic price of one euro for investments of more than two million euros for activities that address social and economic issues in a certain area, as well as activities related to sport, culture, tourism, and cultural heritage. Criteria and terms are decided on a case by case basis through a decision of Council of Ministers;
- Machinery and equipment purchases for investments worth more than \$500,000 are value added tax exempt. Machinery and equipment imported exclusively to meet investment contracts related to the active processing or agribusiness sectors also are VAT exempt.
- Apparel and footwear producers are exempt from VAT and customs tariffs on raw materials as long as the finished product is exported.
- Albanian-registered entities that import certain machinery and equipment (as defined by law) for use in their business activity are exempt from customs duties.

Energy Sector Incentives

- The government ensures favorable pricing for the sale of electricity generated from new hydro power plants with less than 15MW installed capacity for a period of 15 years, approved annually by the Energy Regulating Entity. The Law on Concessions establishes the necessary framework for promoting and facilitating the implementation of privately financed concessionary projects.
- Cement and iron imported for the construction of hydropower plants is VAT exempt.

The hydrocarbons sector (exploration – exploitation)

- Licensees operating in the hydrocarbon sector pay profit tax at the rate of 50 percent, but may deduct capital, operating, and administrative expenses, in accordance with the respective hydrocarbons agreement.
- The import of goods or services related to the performance of the exploration/research phase of petroleum operations, carried out by contractors who work for these operations, are VAT exempt.

6. Right to Private Ownership and Establishment

Albanian law permits private ownership and establishment of enterprises and property. Foreign investors do not need additional permission or authorization beyond that required of domestic investors. The government applies restrictions only on the purchase of real estate: agricultural land cannot be purchased by foreigners, but may be rented for up to 99 years. Commercial property may be purchased, but only if the proposed investment is worth three times the price of the land. There are no restrictions on the purchase of private residential property.

Both foreign and domestic investors continue to experience significant issues in resolving property disputes arising from unclear or incomplete documentation.

Foreigners can acquire concession rights on natural resources and on resources of the common interest, as defined by the ‘Law on Concessions.’ The National Licensing Center (NLC) serves as a one-stop-shop for business licenses. More information on the types of licenses and application procedures is outlined at www.qkl.gov.al

The 2007 ‘Law Establishing the National Registration Center’ (NRC) allows business entities to register in a single place, in one day, for one euro. More information on the NCR can be found at www.qkr.gov.al. Both NLC and NRC were established with assistance from the Millennium Challenge Corporation Albania Threshold Program as e-government initiatives, and save investors valuable time in establishing and carrying out business operations, while also increasing transparency and reducing opportunities for corruption.

Foreign and domestic investors have numerous options available for organizing business operations in Albania. The 2008 ‘Law on Entrepreneurs and Commercial Companies,’ and ‘Law Establishing the National Registration Center’ (NRC) allows for the following legal types of business entities to be established through the NRC: Sole Entrepreneur; Unlimited Partnership; Limited Partnership; Limited Liability Company; Joint Stock Company; Branches and Representative Offices; and Joint Ventures. More details can be found by visiting NLC at www.qkl.gov.al

7. Protection of Property Rights

Real Property

Real Estate is registered at the Real Estate Registration Office or Registrar’s Office. The procedures are cumbersome and there are frequent issues regarding claims to property titles. Recent changes in legislation allow a notary public to have access to real estate registers and confirm the legal ownership of property. For large transactions, it is still advisable to hire an attorney to check documents and procedures for property registration.

In 1991, following the fall of communism, the Albanian government undertook reforms to acknowledge ownership rights for property that had been expropriated during the communist

regime. The property restitution and compensation process started in 1993 and remains unresolved. Despite some progress, immovable property rights remain unclear. The process of registering property is cumbersome and difficult to navigate, a significant reason why approximately 15 percent of properties nationwide still are not registered, mostly in urban and high value coastal areas. Illegal construction is a major impediment to securing property titles. The legalization process to address large scale illegal construction started in 2006 and is still ongoing. There are an estimated 350,000 illegal buildings in Albania.

Property legislation has developed in a piecemeal and uncoordinated way resulting in overlapping property titles and lengthy legal disputes. The civil court system manages property rights disputes. Decisions from civil courts often take many years and authorities often do not enforce court decisions.

These unresolved property issues have undermined efforts to develop a functional land market. In an effort to address the negative impact, the Albanian government approved a law in 2010 that grants special protection to foreign investors who make investments in excess of \$13 million on property made available by the government.

Intellectual Property

Copyright

Albania is not and never has been on the Special 301 Watch List or Priority Watch List. However, IPR infringement and theft are common due to weak legal structures and poor enforcement. Albanian law protects copyrights, patents, trademarks, stamps, mark of origin, and industrial designs, but there remains a significant gap between the law's intent and its enforcement. Regulators are ineffective at collecting fines and prosecutors rarely press charges for IP theft. U.S. companies should consult an attorney experienced in IPR issues and avoid potential risk by establishing solid commercial relationships and drafting tight contracts.

The Albanian government persists in failing to enact key legislation that would strengthen IPR enforcement and address shortcomings in existing legislation. The new law "On Copyrights" has remained in draft form since 2009 and is unlikely to pass in 2014.

The main institutions responsible for IPR enforcement include the Albanian Copyright Office (ACO), Audiovisual Media Authority (AMA), the General Directorate of Patents and Trademarks (GDPT), the General Directorate for Customs, Tax Inspectorate, Prosecutor's Office, police, and the courts. Most IP-related fines are never collected and the few cases that the regulatory agencies refer to prosecutors are rarely enforced. Political disputes over who should be the AMA director have further reduced the organization's ability to fight cable and content theft.

The Albanian Copyright Office (ACO), established in 2006, is the main institution responsible for monitoring and implementing Albanian copyright law, but the ACO lacks administrative and institutional capacity. Law enforcement on copyrights remains virtually nonexistent and copyright violations are rampant. The AMA, which regulates broadcast and cable television, has been ineffective in fighting content theft in the broadcast sector. The number of cases of violation of copyright law brought to court remains low. ACO sanctions are not effective and the low fines it levies are rarely collected and do not serve as an adequate deterrent. In 2010, a ‘Law on Administrative Contraventions’ was adopted to improve collection of fines for infringement of copyrights, but enforcement of this law remains weak to non-existent.

Patents and Trademarks

The Directorate General for Patents and Trademarks (GDPT) is responsible for the registration and administration of patents, commercial trademarks and service marks, industrial designs and geographical indications. In 2008, the Albanian government approved the Industrial Property Law and a number of by-laws and regulations, but the GDPT still needs further capacity building and additional human resources. The General Directorate of Customs includes an IPR protection directorate and has the powers to act ex officio to seize counterfeit goods.

Albania became a contracting party to the WIPO Patent Law Treaty and a full member of the European Patent Organization in 2010. The government became party to the London Agreement on the implementation of article 65 of the European Convention for the Patents in 2013.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at <http://www.wipo.int/directory/en/>.

Contact at Mission who covers IP issues at the post:

Name: Donald Brown
Title: Economic and Commercial Officer
Mobile: 00355684077037
Landline: 0035542247285 ext. 3115
Email address: BrownDA8@state.gov

Country Resources:

Post’s link to public list of local lawyers: http://tirana.usembassy.gov/list_of_attorneys.html
Local American Chamber of Commerce: www.amcham.com.al

8. Transparency of the Regulatory System

Albania’s regulatory system has improved in recent years but still faces many challenges. Improper and uneven enforcement of legislation, rigid bureaucracy, frequent changes to legislation, and lack of transparency in developing legislation and regulations are all a burden for

the business community. Foreign investors often note the lack of proper law enforcement and extensive red tape that leads to the prevalence of corrupt procedures and practices.

Albania has adopted legislation and established agencies that superficially provide transparent rules and regulations to foster competition and attract investment. The government has amended the 2003 ‘Law on Protection of Competition’ several times and created the Agency for the Protection of Competition in 2004. The law seeks to secure “clear rules of the game.” However, the legislation’s uneven enforcement is one of the major reasons for distorting competition in the market. The operational independence and administrative capacity of the Competition Authority also needs to be strengthened so it can serve as an able watchdog

Other independent agencies and bodies, including the Energy Regulator, Telecom Regulator, and other major institutions operate to ensure transparency in specific sectors. New legislation on public procurement introduced e-procurement and resulted in improved transparency in public procurements. However, as in many other areas, the proper enforcement of the law remains a challenge and problems with tender procedures are frequent. Business registration and licensing are streamlined through the one-stop-shop centers for registration and licensing. Although business registration is an easy step, licensing still remains cumbersome in some sectors. Albanian legislation includes rules on disclosure requirements, formation, maintenance and alteration of capital, mergers and divisions, takeover bids and shareholders' rights, as well as corporate governance principles. The ‘Law on Accounting and Financial Statements’ includes reporting provisions that stipulate large companies will apply International Financial Reporting Standards, while small and medium businesses will apply National Financial Reporting Standards.

Although the government publishes all laws on the Official Gazette and online at legislacioni.gov.al, the business community often complains that the government does not publish draft laws and regulations for public comment and does not consult stakeholders before passing new regulations or legislation. Even when there is a public consultation on certain legal initiatives, the time frame for comment is generally short and stakeholder input often is not incorporated into the final version. The recently established National Economic Council pledges to improve the legislative consultation process with stakeholders, but its impact remains to be evaluated.

9. Efficient Capital Markets and Portfolio Investment

In the absence of a functioning stock market, the country’s banking sector remains the main channel for business financing. It is sound, profitable, and well-capitalized, although a growing rate of non-performing loans remains a concern. At the end of 2013, nonperforming loans reached 23.5 percent of all private loans compared to 4.3 percent before the financial crisis of 2008. However, capital adequacy at 18 percent -- far above Basel requirements -- indicates the sector currently has sufficient assets, which totaled USD 13 billion in 2013. The banking sector is fully private and consists of 16 banks, most of which have foreign shareholders. The Austrian

Raiffeisen Bank predominates with approximately 23 percent of all banking sector assets, followed by the Turkish National Commercial Bank with 21 percent. The market share of Greek banks has significantly decreased in recent years, with French and Italian banks filling the void. The two main Albanian banks possess approximately 10 percent of sector assets. Raiffeisen, Intesa San Paolo, Societe General, and Alfa bank are the most internationally recognized banks.

Albania's banking sector weathered the financial crisis better than many of its neighbors, largely due to a lack of exposure to international capital markets and domestic housing bubbles. There is sufficient liquidity in the market to enter and exit sizeable positions. The sector remained profitable even during the peak of the financial crisis when it suffered a reduction of deposits of about 15 percent. In 2013, profits reached USD 88 million with a 0.5 percent return on assets and 6.4 percent return on equities. Market concentration remains high as the five largest banks dominate the market with about 72 percent of total assets. As of December 2013, there were 549 banking outlets nationwide. The number of debit/credit cards, ATM, and Point-of-Sales terminals continues to grow rapidly. The annual volume of transactions with debit/credit cards however, is only 1.3 percent of total deposits.

The Bank of Albania has the flexibility to intervene in the currency market to protect exchange rates and official reserves, but only for a period not exceeding 12 months. In 2009, following the global financial crisis, the central bank restricted the distribution of domestic banking sector profits in order to maintain sufficient liquidity in the sector but lifted the restriction in July 2010. The Bank of Albania further loosened monetary policy in 2013 and again in February 2014, with official central bank interest rates reaching a historical low of 2.75 percent.

Commercial Credit

The Albanian government has adopted policies promoting the free flow of financial resources as a mechanism to promote foreign investment in Albania. The government and Central Bank refrain from restrictions on payments and transfers for international transactions. Foreign investors have no requirements to establish a bank account or to receive credit from banks operating in Albania. The credit market is quite competitive but interest rates can be high, currently between 10 and 14 percent. Most mortgage and commercial loans are denominated in euros as rate differentials between local and foreign currency average 3-4 percent. Commercial banks have improved the quality and quantity of services they offer and the private sector has widely benefited from the expansion of these instruments. Nonetheless, businesses report that high interest rates, distrust of the banking system, and high bank operating costs remain concerns for investors looking for access to credit.

Portfolio investments remain limited mostly to company shares, government bonds, and real estate.

10. Competition from State-Owned Enterprises

The privatization process of State Owned Enterprises (SOEs) in Albania is nearly complete and the few remaining SOEs primarily are in the utilities sector. SOEs operate in the energy generation, electricity transmission, water supply, ports, railway, insurance, postal services, and hydrocarbon sectors. In recent years, the government also has granted concessions for a large number of services previously performed by state owned companies.

SOEs are defined as legal entities which are entirely state-owned or state-controlled and operate as commercial companies in compliance with the Law on Entrepreneurs and Commercial Companies. They are not delegated any governmental powers and do not enjoy any advantages when it comes to financing. The corporate governance structure of the SOE includes the Supervisory Board and the Directorate. The Supervisory Board is comprised of 3-9 members, who are not employed by the SOE and are appointed one third by the Ministry of Economy, one third by the Ministry of Finance and one third by the line ministry or institution to which the company reports. The Supervisory Board and the Shareholder's Assembly, which is the highest decision making authority, appoint the Administrator for the SOE. There are no requirements for the SOEs to adhere to OECD guidelines.

In general, there is no discrimination between public and private companies operating in the same sector. The government requires SOEs to submit annual reports and undergo independent audits. SOEs are subject to the same domestic accounting and international financial reporting standards as all other commercial companies. The High State Audit is the institution that audits the activity of the SOEs. SOEs also are subject to public procurement law.

11. Corporate Social Responsibility

Public awareness of corporate social responsibility (CSR) in Albania is low and CSR remains a relatively new concept for the majority of the business community. Efforts from international organizations to promote CSR awareness, however, are beginning to bear fruit. The small amount of CSR engagement in Albania primarily comes from the energy, telecommunication, heavy industry, and banking sector and tends to focus on philanthropy and environmental issues. The government maintains relatively robust CSR, labor and employment rights, consumer protection, and environmental protection legislation, but enforcement and implementation is inconsistent.

The Corporate Governance Code for unlisted joint stock companies incorporates the OECD definitions and principles on corporate governance, but is not legally binding. The code provides guidance for Albanian companies, aiming to provide a best-practice framework above the minimum legal requirements, and assists Albanian companies in developing a sound governance framework.

12. Political Violence

Political violence is rare. Albania's June 2013 elections and subsequent September 2013 transition to a new government were peaceful. However, four protesters were shot and killed by security forces during a violent political demonstration on January 21, 2011.

Albania is a source of stability in the region and maintains friendly relations with all neighboring countries.

13. Corruption

Corruption remains pervasive in Albania and affects all aspects of society. A culture of impunity is widespread and deeply rooted. Ordinary citizens and foreign investors alike can point to the judiciary, uneven enforcement of laws and property rights, a weak regulatory environment, and opaque government procurement as indicators of endemic corruption. Although the number of corruption cases investigated and prosecuted is rising, conviction rates remain low. Furthermore, high-level corruption cases of politicians or affluent business leaders very rarely end in conviction. Perception of corruption continues to be high and Albania ranked 116th out of 177 countries in the 2013 Transparency International (TI) Corruption Perception Index.

While anti-corruption legislation exists, enforcement lags behind. The government has amended anti-corruption legislation numerous times in recent years to strengthen the framework dealing with corruption and organized crime and to bring Albanian legislation in line with the civil and criminal conventions of the European Union. Under the Albanian Criminal Code, both active and passive corruption, abuse of office, and undue influence are considered criminal offenses. In addition to basic corruption offenses, there are specific criminal provisions addressing active and passive corruption by persons exercising public functions, high state officials and locally elected persons, judges, prosecutors, and employees of the judicial bodies and the private sector. There also are provisions addressing trading in influence. In March 2012, Parliament passed amendments to the Criminal Code addressing cases of bribery by foreign public officials and increasing the penalties for corruption in the private sector, closing existing loopholes in the legislation. In 2012, Parliament also approved constitutional changes, restricting the immunity of high level public officials and judges. The current government has denounced many previous middle and high-level government officials to the Prosecutor's Office on corruption charges, but to date none have been prosecuted.

The government has ratified several corruption-related international treaties and conventions and is a member of major international organizations and programs dealing with corruption and/or organized crime. Albania has ratified the Civil Law Convention on Corruption (Council of Europe), the Criminal Law Convention on Corruption (Council of Europe), the Additional Protocol to Criminal Law Convention on Corruption (Council of Europe), and the United Nations Convention against Corruption (UNCAC). Albania also has ratified a number of key conventions in the broader field of economic crime, including the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (2001) and Convention on Cybercrime (2002). Albania has been a member of the Group of States against Corruption

(GRECO) since the ratification of the Criminal Law Convention on Corruption in 2001 and also is a member of the Stability Pact Anti-Corruption Network (SPAI).

Police authorities and the Prosecutor General's Office are in charge of criminal investigations and law enforcement, while the State Audit Commission and internal auditing units within various state institutions, inspect, assess, and report alleged cases of corruption. A Joint Investigative Unit against corruption and economic crime was established in 2007 in the Tirana District Prosecution Office. The unit is a multi-agency taskforce composed of police staff from the prosecutor's offices, the state, customs and tax police, and other relevant institutions, working together on specific investigations. Based on the first unit model, six more units were established in regions throughout Albania to prosecute corruption and economic crimes outside Tirana. The High Inspectorate for the Declaration and Audit of Assets (HIDAA), established in 2003, collects and audits the annual declaration of assets and properties of mid and high level public officials in central and local executive agencies and supervises the prevention of conflicts of interest.

The High State Control is the highest institution of economic and financial control. It supervises the economic activity of state institutions and other state juridical persons as well as the use and preservation of state funds by the central and local government institutions and state owned enterprises.

The Prime Minister's office includes an Internal Administrative and Anti-Corruption Control department, which serves as an inspectorate for all central executive public institutions and investigates allegations of procedural irregularities and irregularities in the handling of public finances. In the Judiciary, the High Council of Justice is in charge of the appointment and removal of judges and prosecutors in district and appeals courts. Specialized inspectors investigate allegations of misconduct of judges and the High Council of Justice then takes the relevant disciplinary measures.

Transparency International (TI) Albania is the main international non-governmental watchdog organization in Albania. Other NGOs perform watchdog functions regarding corruption, but the role of the civil society in denouncing corruption is weak.

14. Bilateral Investment Agreements

The United States and Albania signed a bilateral investment treaty in 1995, which entered into force in January 1998. This treaty ensures that U.S. investors receive national or most-favored-nation treatment and provides for dispute settlement. There is no free trade agreement or bilateral taxation treaty between the two countries.

As of June 2013, Albania has concluded bilateral investment treaties with the following countries:

Austria, Belgium, Bosnia and Herzegovina, Bulgaria, China, Croatia, Czech Republic, Finland, France, Germany, Greece, Hungary, Italy, Netherlands, Portugal, Republic of Korea, Romania, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, USA, Denmark, Tunisia, Russia, Poland, Malta, Israel, Egypt, Lithuania, Kuwait, Macedonia, Malaysia, Moldova, Ukraine, Azerbaijan, Islamic Republic of Iran, Qatar, San Marino, Serbia, Kosovo (UNMIK), and Cyprus.

15. OPIC and Other Investment Insurance Programs

The U.S. Overseas Private Investment Corporation (OPIC) signed a bilateral agreement with Albania in 1991. Albania also has ratified the World Bank's Multilateral Investment Guarantees Agency (MIGA) Convention. Both instruments provide investment guarantees against certain non-commercial risks (i.e., political risk insurance) to eligible foreign investors for qualified investments in developing member countries. MIGA's coverage is against the following risks: currency transfer restriction; expropriation; breach of contract; war; terrorism; civil disturbance; and non-honoring of sovereign financial obligations. MIGA and OPIC often cooperate on projects.

In 1998, OPIC supported the Southeast Europe Equity Investment Fund (SEEF), which invested heavily in southeastern Europe. OPIC supported its successor, SEEF II, managed by Bedminster Capital. SEEF II has invested in the Albanian health and IT sectors.

For more information on OPIC please see www.opic.gov.

For more information on MIGA see www.miga.org.

16. Labor

Pursuant to the Labor Code and the "Law on the Status of the Civil Employee," individual employment contracts regulate labor relations between employees and management. Albania has been a member of the International Labor Organization (ILO) since 1991 and has ratified 44 ILO international labor conventions. The Albanian government has established the National Council of Labor, composed of government officials, trade unions, management, and employers' associations, to improve social dialogue between stakeholders. The institutions governing the labor market include: Ministry of Welfare and Youth, Ministry of Innovation and Public Administration, National Employment Service, State Labor Inspectorate, and private actors such as employment agencies, and vocational training centers.

Both employees and managers have the right to form trade unions. Trade unions are organized both at the national level (according to industrial sector) and at the company level. The Labor Code guarantees the right to strike as part of the right to negotiate wages and working conditions. Employment contracts are applicable both to union and non-union workers. The two main national-level trade unions, both affiliated with the International Trade Union Confederation (ITUC) are the Confederation of Trade Unions (KSSH) and the Union of the Independent Trade

Unions of Albania (BSPSH). Employment contracts can be for a limited or an unlimited period, but typically cover an unlimited period of duration if not specified in the contract.

Albania has a labor force of about 1.1 million people. The official estimated unemployment rate in the last quarter of 2013 was 17 percent, but unemployment for people aged 18-29 was estimated at 28 percent. Approximately 45% of the population is self-employed in the agricultural sector. Almost 1.2 million Albanians have emigrated to Italy and Greece since 1991 and a majority of young Albanians speak English, Italian, or Greek as a second language. Other foreign language skills are common, as well.

While some members of the labor force are highly skilled, many work in low-skill industries or have outdated skill sets. Albania has a tradition of a strong secondary educational system, while vocational schools are less prevalent. University education remains uneven and studying abroad remains the best option for qualified students. In 2013, the average salary in public administration was 52,150 lek (USD 520) per month. In July 2013, the government raised the minimum monthly wage applicable to both public administration and the private sectors to 22,000 lek (USD 220), which still is among the lowest in the region.

17. Foreign Trade Zones/Free Ports

Albania currently has no operating free trade zones or free ports, although the legislation is in place to create them. The Law on the Establishment and Functioning of Economic Zones regulates the establishment of free trade zones and industrial parks near ports, airports, or at the crossroads of international transport. The Ministry of Economy proposes free trade zones, which are ratified by the Council of Ministers on a case-by-case basis. The Council of Ministers has the power to define the status of the zone (either a “free zone” or an “industrial park”), area and boundaries, the economic activities to be performed within the zones, time constraints, the type of permission (lease, concession, etc.), and selection procedures for the developer. Industrial parks may be used for production, manufacturing, agro-processing, export-import, and supporting activities.

Following the approval of the Law on the Establishment and Functioning of Economic Zones in 2007, the government approved the construction of the following economic zones:

1. Economic zone with the status of “Industrial Park” in Koplik, Shkoder.
2. Economic zone with the status of “Industrial Park” in Shengjin, Lezhe.
3. Economic zone with the status of “Industrial Park” in Spitalle.
4. Economic zone with the status of “Industrial Park” in Vlora.
5. Economic zone with the status of “Industrial Park” in Shkoder.
6. Economic zone with the status of “Industrial Park” in Lezhe.
7. Economic zone with the status of “Industrial Park” in Laknas, Tirana.
8. Economic zone with the status of “Free Zone” in a territory in Vlora.
9. Economic zone with the status of “Industrial Park” in Rrashbull, Durres.

However, the majority of these projects have not moved beyond the licensing phase, with only a few advancing modestly.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other) Albania (Bank of Albania, Albanian Institute of Statistics)
Economic Data	Year	Amount	Year	Amount	
Gross Domestic Product (GDP) (<i>Billions U.S. Dollars</i>)	2012	12.3	2012	12.6	http://www.worldbank.org/en/country http://www.instat.gov.al/
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	2012	23	2012	-2	(BEA) click selections to reach. <ul style="list-style-type: none"> • Bureau of Economic Analysis • Balance of Payments and Direct Investment Position Data • U.S. Direct Investment Position Abroad on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars) Bank of Albania http://www.bankofalbania.org/
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	Not available	2012	0	(BEA) click selections to reach <ul style="list-style-type: none"> • Balance of Payments and Direct Investment Position Data • Foreign Direct Investment Position in the United States on a Historical-Cost Basis • By Country only (all countries)

					(Millions of Dollars)
					Bank of Albania http://www.bankofalbania.org/
Total inbound stock of FDI as % host GDP <i>(calculate)</i>	2012	Not available	2012	0	

Sources: Bank of Albania <http://www.bankofalbania.org/>
Albanian Institute of Statistics <http://www.instat.gov.al/>

TABLE 3: Sources and Destination of FDI

The data on Albania on the IMF website <http://cdis.imf.org> are available only for 2011.

Direct Investment from/in Albania 2011					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	3,927	100%			
Canada	732	19%			
Greece	680	17%			
Austria	611	16%			
Italy	482	12%			
Turkey	365	9%			

"0" reflects amounts rounded to +/- USD 500,000.

Source: <http://cdis.imf.org>

The Bank of Albania's data on FDI are available only until 2010 (US Dollars, Millions)

Direct Investments	2005	2006	2007	2008	2009	2010
Foreign Direct Investments	258	315	639	874	925	1,091
Inward Foreign Direct Investments	262	325	663	959	965	1,103
Outward Foreign Direct Investments	-4	-11	-24	-84	-39	-12

Source: Bank of Albania <http://www.bankofalbania.org/>

Stock FDI data by Bank of Albania 2008-2012 (US Dollars, Millions)

Country	2008	2009	2010	2011	2012
Total FDI	3,017	3,132	3,228	4,734	4,500
Canada	12	141	358	737	907
Switzerland	201	150	90	758	651
Austria	272	306	469	618	640
Greece	828	776	797	706	579
Italy	470	482	513	595	558
Turkey	278	326	248	262	338
Netherlands	275	287	296	352	312
Cyprus	79	69	80	180	172
Germany	97	103	111	117	108
France	35	36	53	71	98
International Organizations	37	48	61	75	94
Cayman Islands	-	-	-9	79	68
United States of America	110	33	-130	-65	23

Source: Bank of Albania <http://www.bankofalbania.org/>

TABLE 4: Sources of Portfolio Investment

No data available for Albania on the IMF webpage <http://cpis.imf.org>

The Bank of Albania's data on Portfolio Investments are available only until 2010 but no breakdown according to sources (*US Dollars, Millions*)

	2005	2006	2007	2008	2009	2010
Portfolio Investments	-6	34	84	-38	27	312
Inward Portfolio Investments	-	-	58	46	9	421
Outward Portfolio Investments	-6	34	27	-83	19	-109

Source: Bank of Albania <http://www.bankofalbania.org/>

19. Contact Point at Post for Public Inquiries

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